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## Attorneys for Official Committee of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF OREGON

In re:

Case No.: 09-30938-elp

Society of Jesus, Oregon Province, an Oregon  
domestic nonprofit religious corporation,

## Chapter 11

## Debtor

**STIPULATION RE: (1) DEBTOR'S  
OBJECTION TO LEKG, LLC FEE  
STATEMENTS; (2) INCREASE IN  
LEKG, LLC FEE CAP; (3) INCREASE  
OF MORGAN LEWIS & BOCKIUS  
LLP FEE CAP; AND (4) EXTENSION  
OF PLAN EXCLUSIVITY PERIOD**

The Official Committee of Unsecured Creditors (the “Committee”), on the one hand, and the Society of Jesus, Oregon Province, an Oregon domestic nonprofit religious corporation, which is the debtor and debtor in possession herein (the “Debtor”), on the other hand, hereby enter into the following stipulation (the “Stipulation”). The Committee and the Debtor are at times referred to herein as the “Parties.”

## RECITALS

A. On February 17, 2009 (the “Petition Date”), the Debtor filed its voluntary Chapter 11 petition for relief, thereby commencing the above captioned case. The Debtor is operating its business and managing its properties as debtor in possession pursuant to sections 1107(a) and 1108 of title 11 of the United States Code (the “Bankruptcy Code”).

1           B.     The Committee was appointed pursuant to sections 1102(a) and 1102(b)(1) of the  
 2 Bankruptcy Code on or about March 3, 2009. The Office of the United States Trustee filed the  
 3 notice of appointment of the Committee on March 12, 2009 but Committee members were verbally  
 4 informed of their appointment on March 3, 2009 and have acted as a committee since that date.

5 **LECG's Employment and Fees**

6           C.     On August 7, 2009, the Court entered the *Order Approving Official Committee of*  
 7 *Unsecured Creditor's Application for an Order Authorizing and Approving the Employment of*  
 8 *LECG, LLC as Financial Advisors to That Committee* (the “LECG Employment Order”) [Docket  
 9 No. 406]. Pursuant to the LECG Employment Order, the Committee retained LECG, LLC  
 10 (“LECG”) as its financial advisors.

11          D.     With respect to fees and expenses, the LECG Employment Order provides that  
 12 “LECG’s fees and expenses shall not exceed \$100,000 [the “LECG Cap”], except upon further order  
 13 of the Court.”

14          E.     On January 15, 2010, pursuant to the *Order Establishing Procedures for Payment of*  
 15 *Interim Professional Fees and Expenses on a Monthly Basis* (the “Payment Procedures Order”)  
 16 [Docket No. 193], the Committee filed fee statements (the “LECG Fee Statements”) for all of  
 17 LECG’s fees and expenses incurred through November 2009. [Docket Nos. 623 through 630.]  
 18 Pursuant to the LECG Fee Statements, LECG’s total fees and expenses through November 2009  
 19 totaled approximately \$153,000.

20          F.     After a voluntary write-off by LECG of fees in the amount of \$38,802, LECG’s fees  
 21 through January 31, 2010 are approximately \$129,000. LECG’s expenses through January 31, 2010  
 22 are approximately \$6,000, for a total net fees and expenses through January 31, 2010 of  
 23 approximately \$135,000 (“LECG’s Fees”).

24          G.     On January 29, 2010, the Debtor filed the *Debtor’s Objection to LECG, LLC’s Fees*  
 25 *Statements for April 1, 2009 Through November 30, 2009* [Docket No. 638]. In the objection, the  
 26 Debtor objected to the Fee Statements on the ground that LECG’s fees exceeded the LECG Cap.

27          H.     On February 16, 2010, the Committee filed the *Motion of the Official Committee of*  
 28 *Unsecured Creditors to Increase Limit of Compensation With Respect to LECG, LLC* (the “LECG

1 Cap Motion") [Docket No. 648]. In the Motion, the Committee asked the Court to enter an Order  
 2 increasing the LECG Cap by \$100,000 retroactive to the point at which LECG's fees first reached  
 3 the initial LECG Cap.

4 **MLB's Employment and Fees**

5 I. On October 30, 2009, the Court entered the *Order Approving Official Committee of*  
 6 *Unsecured Creditors' Application for an Order Authorizing and Approving the Employment of*  
 7 *Morgan, Lewis & Bockius LLP as Special Insurance Counsel to that Committee* (the "MLB  
 8 Employment Order") [Docket No. 532]. Pursuant to the MLB Employment Order, the Committee  
 9 retained Morgan, Lewis & Bockius LLP ("MLB") as special insurance counsel.

10 J. With respect to fees and expenses, the MLB Employment Order provides that, "the  
 11 allowed fees and costs of MLB incurred in connection with MLB's representation of the Committee  
 12 regarding insurance matters unrelated to the avoidability of the Safeco Release Agreement shall not  
 13 exceed \$65,000; provided that said limit is subject to further order of this Court" (the "MLB  
 14 Insurance Cap"). The MLB Employment Order provided a separate \$65,000 cap on fees and  
 15 expenses incurred by MLB in assessing the validity and avoidability of the Safeco Release  
 16 Agreement (the "MLB Safeco Cap"). That cap is not the subject of this Stipulation and will remain  
 17 unaltered.

18 K. MLB has advised the Committee that its fees and expenses through January 31, 2010  
 19 incurred in connection with insurance matters unrelated to the avoidability of the Safeco Release  
 20 Agreement are approximately \$65,000.

21 L. The Committee has indicated to the Debtor an intent to file a Motion (the "MLB Cap  
 22 Motion") for an Order modifying the MLB Employment Order to provide for (1) an additional  
 23 \$50,000 cap on fees and expenses to allow MLB to participate in the global mediation (the "MLB  
 24 Mediation Cap") currently being conducted by The Honorable Gregg Zive, and (2) an increase in the  
 25 MLB Insurance Cap to allow MLB to receive up to \$15,000 per month after January 31, 2010 for  
 26 ongoing insurance analysis.

1            **Plan Exclusivity**

2            M.      Without further Order of the Court, the time period set forth in section 1121(b) of the  
 3 Bankruptcy Code during which only the Debtor may file a plan would expire on March 1, 2010 and  
 4 the time to obtain acceptance of the plan would expire on June 1, 2010. The Debtor has indicated to  
 5 the Committee an intent to request an Order extending the exclusivity period.

6            N.      The Debtor asserts that if the exclusivity period were allowed to expire during the  
 7 mediation process currently pending before The Honorable Gregg Zive, and if another party filed a  
 8 plan during that mediation process, the Court, the Debtor, and all other parties in the case would be  
 9 distracted from the mediation, by having to deal with competing plans, including disclosure  
 10 statement hearings, objections to disclosure statements, and contested confirmation hearings, which  
 11 would not only increase the cost and complexity of the case, but would be counterproductive.

12            **General**

13            O.      The Parties have discussed (1) the LECG Fee Statements and the Debtor's objection  
 14 thereto, (2) the Committee's desire to increase and modify the LECG Cap, (3) the Committee's  
 15 desire to obtain approval of the MLB Mediation Cap and to increase and modify the MLB Insurance  
 16 Cap, and (4) the Debtor's desire to extend the exclusive periods in which to file and obtain  
 17 acceptance of a plan. The Parties wish to resolve the issues between them with respect to the  
 18 foregoing issues on the terms set forth herein and subject to Court approval.

19            **AGREEMENT**

20            1.      The LECG Cap shall be increased by \$100,000 retroactive to the point at which  
 21 LECG's fees first reached the initial LECG Cap of \$100,000.

22            2.      The Debtor's Objection to the LECG Fee Statements shall be deemed withdrawn  
 23 without the need for further filings or Order of the Court.

24            3.      The Debtor will not object to LECG's fees of \$128,947 and expenses of \$5,991.48  
 25 incurred through January 31, 2010 for interim payment purposes, but reserves the right to object to  
 26 such fees and expenses upon LECG's filing of its final fee application. However, before being  
 27 compensated for fees and expenses incurred in December, 2009 and January 2010, LECG shall file

fee statements for the months of December, 2009 and January 2010 pursuant to the Payment Procedures Order.

4. The MLB Mediation Cap and the increase in the MLB Insurance Cap shall be approved, and may be increased by further Order of this Court.

5. The time period set forth in section 1121(b) of the Bankruptcy Code during which only the Debtor may file a plan is extended to and including August 16, 2010 and if the Debtor files a plan on or before August 16, 2010, the time period set forth in section 1121(c)(3) of the Bankruptcy Code for the Debtor to obtain acceptance of its plan shall be extended to and including October 16, 2010.

6. This Stipulation may be executed by counterpart originals, electronic copies, or facsimiles, and each such counterpart shall be deemed an original instrument, but all such counterparts together shall constitute one agreement.

7. The persons executing this Stipulation represent and warrant that they have the authority and capacity to act on behalf of the party for which each person is signing and to bind that party to the terms of this Stipulation.

## **IT IS SO STIPULATED:**

Dated: February 19, 2010

PACHULSKI STANG ZIEHL & JONES LLP

By /s/ Pamela E. Singer  
James I. Stang (CA Bar No. 94435)  
Hamid R. Rafatjoo (CA Bar No. 181564)  
Pamela E. Singer (OR Bar No. 89423)  
Attorneys for Official Committee of  
Unsecured Creditors

Dated: February 19, 2010

SUSSMAN SHANK LLP

By /s/Thomas W. Stilley  
Howard M. Levine (OSB No. 8073)  
Thomas W. Stilley (OSB No. 88316)  
Attorneys for Society of Jesus, Oregon  
Province, the Debtor and Debtor in  
Possession

In re: \_\_\_\_\_ | Case No.: 09-30938-elp

Society of Jesus, Oregon Province, an Oregon  
domestic nonprofit religious corporation,

## Debtor

Case No.: 09-30938-elp

Chapter 11

**ORDER APPROVING STIPULATION  
RE: (1) DEBTOR'S OBJECTION TO  
LECG, LLC FEE STATEMENTS; (2)  
INCREASE IN LECG, LLC FEE CAP;  
(3) INCREASE OF MORGAN LEWIS  
& BOCKIUS LLP FEE CAP; AND (4)  
EXTENSION OF PLAN EXCLUSIVITY  
PERIOD**

This matter came before the Court upon the *Stipulation re: (1) Debtor's Objection to LEKG, LLC Fee Statements; (2) Increase in LEKG, LLC Fee Cap; (3) Increase of Morgan Lewis & Bockius LLP Fee Cap; and (4) Extension of Plan Exclusivity Period* (the "Stipulation"), entered into by the above-captioned Debtor and the Official Committee of Unsecured Creditors (the "Committee").

Unless otherwise defined herein, capitalized terms have the meanings ascribed to them in the Stipulation. The Court having reviewed the Stipulation, and good cause appearing therefore,

**IT IS ORDERED** as follows:

1. The Stipulation is approved.
2. The LECG Cap Motion is granted.

1           3.     The LECG Cap shall be increased by \$100,000 retroactive to the point at which  
 2 LECG's fees and expenses first reached the initial LECG Cap of \$100,000.

3           4.     The Debtor's objection to the LECG Fee Statements shall be deemed withdrawn  
 4 without the need for further filings or Order of the Court.

5           5.     The Debtor will not object to LECG's fees of \$128,947 and expenses of \$5,991.48  
 6 incurred through January 31, 2010 for interim payment purposes, but reserves the right to object to  
 7 such fees and expenses upon LECG's filing of its final fee application. However, before being  
 8 compensated for fees and expenses incurred in December, 2009 and January 2010, LECG shall file  
 9 fee statements for the months of December, 2009 and January 2010 pursuant to the Payment  
 10 Procedures Order.

11          6.     The MLB Mediation Cap and MLB Insurance Cap are hereby approved, and may be  
 12 increased by further Order of this Court.

13          7.     The time period set forth in 11 USC § 1121(b) during which only the Debtor may file  
 14 a plan is extended to and including August 16, 2010 and if the Debtor files a plan on or before  
 15 August 16, 2010, the time period set forth in 11 USC § 1121(c)(3) for the Debtor to obtain  
 16 acceptance of its plan is extended to and including October 16, 2010.

17                          ####

18 PRESENTED BY:

19 PACHULSKI STANG ZIEHL & JONES LLP

21 */s/ Pamela E. Singer*

22 James I. Stang (CA Bar No. 94435)  
 Hamid R. Rafatjoo (CA Bar No. 181564)  
 Pamela E. Singer (OR Bar No. 89423)  
 Attorneys for Official Committee of  
 Unsecured Creditors

26 cc:    ECF Participants  
 Attached List

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SERVICE LIST

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	<p>Michel Yves Horton      Paul A. Richler      David Sean Cox      Morgan, Lewis &amp; Bockius LLP      300 South Grand Ave, 22nd Fl.</p> <p><u>Various unsecured tort claimant creditors</u></p> <p>ANDREW M CHASAN      Chasan &amp; Walton      POB 1069</p> <p>Jesuit Conference, Inc.      Rev. Thomas P. Gaunt, S.J.      1016 – 16th St. NW, Suite 400      Washington, DC 20036</p> <p>David Henderson      P.O. Box 2441      135 Ridgecrest      Bethel, AK 99559</p> <p><u>Delores Kilongak</u></p> <p>Jim Valcarce      Valcarce Law Office, LLC      P.O. Box 409      900 3rd Avenue</p> <p><u>Various Unsecured Tort Claimant Creditors, including FV, GV and JV</u></p> <p>JOSEPH A BLUMEL      4407 N Division St #900      Spokane, WA 99207</p> <p>David A. Paige      Quarles &amp; Brady LLP      One Renaissance Square      Two North Central Avenue,      Phoenix, AZ 85004-2391</p>	<p>Securities and Exchange Commission      SEC Headquarters      100 F Street, NE      Washington, DC 20549</p> <p>Cormac Brissett      Loyola Jesuit House      6234 North Kenmore Avenue      Chicago, IL 60660-2101</p> <p>Frederick J Odsen      James M. Gorski      Hughes Pfiffner Gorski Seedorf &amp; Odsen      3900 C Street, Suite 1001      Anchorage, AK 99503</p> <p><u>Florence Kenney, Eric Olson</u></p> <p>Ken Roosa      Cooke Roosa LLC      3700 Jewel Lake Road      Anchorage, AK 99502</p> <p>H. Douglas Spruance III      Feltman, Gebhardt Greer &amp; Zeimantz      1400 Paulsen Center      421 West Riverside Avenue      Spokane, WA 99201</p> <p>Kasey C. Nye      Quarles &amp; Brady LLP      One S. Church Street, Suite 1700      Tucson, Arizona 85701</p> <p>Counsel for Certain State Court      Plaintiffs, Creditors of the Debtors      Breck Barton      Breck Barton &amp; Associates P.A.      P.O. Box 100</p>	<p>Michelle Menely      Gordon Thomas Honeywell Malanca      Peterson      600 University Street, Suite 2100      Seattle, WA 98101-4185</p> <p><u>Society of Jesus, Rome</u>      c/o Robert E. Ganja      The Northern Trust Co of Illinois      50 S. LaSalle Street      Chicago, IL 60675</p> <p>Nathan W. Henry      114-A Vista Way      Kennewick, WA 99336</p> <p>John C. Manly      Rebecca L. Rhoades      Manly &amp; Stewart      4220 Von Karman Avenue, Suite 200      Newport Beach, CA 92660</p> <p>Sean E. Brown      Power and Brown, LLC      PO Box 1809      Bethel, AK 99559</p> <p>Julio K. Morales      Morales Law Office      212 W. Spruce Street      Missoula, MT 59802</p>
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7  
8 UNITED STATES BANKRUPTCY COURT

9 DISTRICT OF OREGON

10 In re:

11 Society of Jesus, Oregon Province, an Oregon  
domestic nonprofit religious corporation,

12 Debtor

Case No.: 09-30938-elp

Chapter 11

13 **CERTIFICATE OF SERVICE**

## **PROOF OF SERVICE**

STATE OF CALIFORNIA )  
CITY OF SAN FRANCISCO )

I, Katherine Suk, am employed in the city and county of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is 150 California Street, 15th Floor, San Francisco, California 94111-4500.

On February 19, 2010, I caused to be served the

**STIPULATION RE: (1) DEBTOR'S OBJECTION TO LECG, LLC FEE STATEMENTS; (2)  
INCREASE IN LECG, LLC FEE CAP; (3) INCREASE OF MORGAN LEWIS & BOCKIUS  
LLP FEE CAP; AND (4) EXTENSION OF PLAN EXCLUSIVITY PERIOD**

**[PROPOSED] ORDER APPROVING STIPULATION RE: (1) DEBTOR'S OBJECTION TO  
LECG, LLC FEE STATEMENTS; (2) INCREASE IN LEKG, LLC FEE CAP; (3)  
INCREASE OF MORGAN LEWIS & BOCKIUS LLP FEE CAP; AND (4) EXTENSION OF  
PLAN EXCLUSIVITY PERIOD**

in this action by placing a true and correct copy of said document(s) in sealed envelopes addressed as follows:

*Please see attached Service List*

(BY MAIL) I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at San Francisco, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare under penalty of perjury, under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed on February 19, 2010, at San Francisco, California.

/s/ Katherine Suk

## Katherine Suk, Legal Assistant

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